

1 ones supposed to... You can't do what a janitor or a School
2 Principal says. They should know very good how to maintain
3 the building or how to direct the school, but they do not
4 know anything about technology. So you are the expert and
5 you should install the equipment where it should be." But of
6 course, that happened before I was there.

7 Q And before you got there, you were not aware of any
8 directives, either memorandums or letters from the Department
9 of Education to the Principals telling them to let the
10 vendors put the equipment wherever the vendors thought was
11 the best place to put them?

12 A Unfortunately, I don't have access. If that ever
13 happened, I don't have access to that.

14 Q You had never seen any such documents, right?

15 A No. The first documents we had started... That I
16 have access, started with Dr. Rey's Administration in that
17 January of 2001.

18 Q And you are not aware of any verbal instructions
19 given of that nature to the Principals of the schools?

20 A No---

21 Q To let the contractors put the equipment where the
22 contractors thought was the best place?

23 A I wasn't given at the Department of Education
24 nothing at all.

25 Q I understand.

1 MR. CAMILO K. SALAS: Maybe we can stop here for
2 lunch now. I am sure Mr. Bennazar will welcome a little
3 lunch?

4 MR. A.J. BENNAZAR: Whatever you say.

5 MR. CAMILO K. SALAS: Off the record.

6 OFF THE RECORD

7 After the recess,

8 BY MR. CAMILO K. SALAS:

9 Q In an effort to sort of shorten this a little bit,
10 I suppose that everything that you put in your January 18,
11 2002 report is accurate as you know it today?

12 A Yes, Sir.

13 Q So if I were to ask detailed questions about the
14 things that you have in there, you would agree with
15 everything that you have in your report at this time?

16 A More or less. In the most detail, it should be
17 Adonay's.

18 Q Let me ask you a little bit about this. In the
19 very top of page 4 it says: "We decided to perform a more
20 thorough evaluation including distinct schools and performing
21 communication tests. We contracted a private consultant to
22 perform the evaluation." That would have been Mr. Adonay
23 Ramirez?

24 A Yes.

25 Q Okay.

1 A And as part of the other things that he was doing,
2 he was also doing the evaluation.

3 Q And then it says: "Unfortunately, we had to wait
4 until the new fiscal year due to a budget deficit." And then
5 there is a footnote too that reads as follows: "The budget
6 deficit that we inherited at the Department of Education of
7 Puerto Rico was about \$205,000,000.00, which represents about
8 13% of our total budget. As a result, all contracts were
9 frozen by the Governor." What I would like to ask you is,
10 what contracts are you referring to there?

11 A In that case?

12 Q Yes.

13 A The contracts of new hired people to perform jobs
14 like Mr. Ramírez and the people that were ahead of me. I
15 remember I came to the chair in June, so no other contracts
16 were issued after the beginning of the next fiscal year in
17 July.

18 Q July of 2001?

19 A July of 2001. In case of the people who came to
20 help do us all these jobs.

21 Q So anybody who was hired as of July stayed on, but
22 no more hires after that?

23 A Until the first day of July. Before that, no new
24 people were hired unless they had some sort of a priority. A
25 very high priority but that the Secretary thought it was a

1 need to hire.

2 Q So you could hire from July 2001 going forward?

3 A Ah-huh. In my case, I was hired in June.

4 Q Okay, but Adonay Ramírez was hired---

5 A In July.

6 Q In July after the new year started?

7 A Ah-huh.

8 Q Now, continuing here at the bottom of page 4 it
9 says: "It is important to notice that when we started the
10 evaluation only 2 schools were connected to the Internet. As
11 of today, 216 are connected, which represents a big
12 improvement.

13 A Ah-huh.

14 Q When you say 2 schools were connected to the
15 Internet, are you talking about Phase 1 or Phase 2 schools?

16 A I know they were 2 schools, but I don't know which
17 phase they were. You have to check with the results of the
18 job they did. They should have the details. I only have the
19 executive summary of the figures, not the very details in
20 terms to say "this school and this school."

21 It's possible that I should have the information by
22 word at that time, but I don't remember.

23 Q When you say "When we started the evaluation" that
24 refers us back to some time in June of 2001?

25 A In July. Remember that we started connecting

1 schools in July.

2 Q Okay. So, in July there were only 2 schools
3 connected?

4 A That is the information that I had at the time. I
5 think that, I am not sure, but it sounds to me something like
6 Aguada or something like that was one of them and the other I
7 don't remember. But it sounds familiar to me. The fact is
8 that I do remember that somebody told me only 2 schools are
9 connected.

10 Q That does not mean that somebody did something
11 wrong or anything like that, right?

12 A Well, that means that there were no connections,
13 even though I have the information from the suppliers that
14 the schools were connected. No actual operational connection
15 was on at that time. Remember I have been consistent in
16 calling it "operational" when a student in a school can
17 connect from at least 1 PC in the school to the Internet.

18 Q So basically, when you said that only 2 schools
19 were connected to the Internet, you are using that
20 definition---

21 A That definition.

22 Q With the definition being that a student can walk
23 up to a terminal and log---

24 A At least one terminal in the school.

25 Q One terminal in the school and logon to the

1 computer?

2 A Ah-huh.

3 Q You are not saying here that when you said that
4 only 2 schools were connected to the Internet, you are not
5 saying that there were only 2 schools with good T-1 lines
6 transmitting to the schools?

7 A No, I am just saying that as I define it, a teacher
8 or a student can go to at least one computer within that
9 school and access the Internet through the project.

10 Q Right, and I think we talked extensively about that
11 in your prior deposition.

12 A Ah-huh.

13 Q All right. In this report of yours, I did not see
14 any information concerning how many T-1 lines were
15 operational at any particular time.

16 A Remember that this is an executive summary. There
17 might be details, I don't know. But if there are details,
18 Adonay Ramírez maybe knows. I don't have that detail.

19 Q Now, let's go to page 6 of that report, please.
20 Excuse me. Before we do this, let's go to page 5. I am
21 skipping something.

22 In the second to last paragraph it starts with the
23 word "Vendors."

24 A Ah-huh.

25 Q It says: "Vendors were required to provide the

1 electrical and security infrastructure together with the
2 necessary hardware, software and communication products.
3 Vendors were also required to communicate the laboratories
4 with the school E-Rate funded network." You see that?

5 A Ah-huh.

6 Q All this section deals with the laboratories that
7 the Department of Education eventually decided to acquire for
8 the schools, right?

9 A Yes.

10 Q And as I read these 2 sentences that I just read
11 for the record---

12 A And also there were other laboratories already at
13 the schools.

14 Q I understand. But as I read these 2 sentences that
15 I put in the record, the vendors of the laboratories were
16 going to use the communication lines that already had been
17 put in the schools with E-Rate funds?

18 A Yes.

19 Q And then let's go to the next page, to page 6.
20 Now, there is a list there of statistics indicating that the
21 teachers in the various schools either had not been trained
22 or they did not know how to use the computers or did not
23 think that the computers were going to help them in their
24 task of teaching students, etceteras, right?

25 A This is a survey conducted before I was at the

1 position and it was conducted I think, by the end of that
2 semester from January to May of 2001. It was conducted
3 before I was in the position, as I said, and this is the
4 result I got from there. That is why... These are the figures
5 we used as a base on to start moving on a new technology
6 training.

7 Q Now let's go to page 7. It is a section that deals
8 with allocation of funds for computer software.

9 A Ah-huh.

10 Q It states here that as of January of 2002, no
11 payments had been made for the contract with Microsoft for
12 the software. Is that not true?

13 A Where are you located at?

14 Q Page 7.

15 A The one with allocation of funds for computer
16 software?

17 Q Yes, Sir.

18 A This should be... As of January of the report, that
19 should be 2002.

20 Q Essentially, what I am trying to find out is the
21 following.

22 A Ah-huh.

23 Q Mr. McDonald had indicated in his report that one
24 of the concerns of USAC was that there was no software for
25 the computers to use the Internet properly.

1 A Ah-huh.

2 Q And I don't know if it was you or Mr. Santana that
3 told me that the Department of Education had entered into a
4 contract with Microsoft to purchase computer software?

5 A Yes, \$25,000,000.00.

6 Q And as I read this report, as of January---

7 A Payments. But the software was delivered and was
8 at the computers. But the payments for Microsoft were not
9 issued at that time so I started paying for whatever was
10 already deployed at the schools.

11 Q Do you know approximately when Microsoft provided
12 the computer software to the students that were paid with
13 these funds?

14 A I don't have the details. I think that Juan Carlos
15 Sierra does.

16 Q He should know?

17 A He has more information on that. He is the one in
18 charge of the circulation of hardware and software at that
19 time and I think he still is.

20 Q We have talked I think, for the past couple of
21 hours over electricity and other problems that were found in
22 the schools. Now let me show you this letter which is dated
23 August 22nd of 2001 from Ricardo Reyes Soler of DRC to Mr.
24 Adonay Ramírez and it shows that you received a copy of that
25 letter.

1 A I think so.

2 MR. CAMILO K. SALAS: I want to mark this letter as
3 Aníbal Cruz's Exhibit Number 4.

4 (AT WHICH TIME DEPOSITION EXHIBIT 4 IS MARKED)

5 BY MR. CAMILO K. SALAS:

6 Q You had a chance to review that letter?

7 A Yes.

8 Q Do you recall receiving that letter before?

9 A Yes, Sir.

10 Q Do you recall reading that letter before?

11 A Yes, Sir.

12 Q Is there anything in that letter that you disagree
13 with?

14 A Basically, no. As a matter of fact, you can see
15 the content of the letter, which reflects the meetings we had
16 with the School Principals, with the people in the projects
17 and concerning all the items that were included in here and
18 in other communications or information that we received in
19 terms of what's going on in the schools.

20 That is why we started talking to the people and
21 calling the people and bringing the Superintendents to the
22 Central Level and these 2 meetings, one in Guayanilla and one
23 in Carolina and sending the technicians as part of the groups
24 that were visiting. I myself visited some of these schools
25 to check out what is going on at the time.

1 Specifically I remember I was almost a weekend in
2 Ponce High with people from Telefónica and from DRC.

3 Q So the situation that DRC is reporting in this
4 letter is consistent with the situation that the Department
5 of Education found in the system?

6 A Yes, more or less. Let me add that in the other
7 hand, there were schools like Ponce High and others in where
8 there were no problems at all. In where we had plenty of
9 computers, connectivity, power and the corroboration of the
10 personnel at the school. We had a whole spectrum.

11 Q Let me move on to another area. Did you attend the
12 second meeting with USAC, which was April 26th, 2002?

13 A Yes, Sir.

14 Q Do you remember who went to that meeting?

15 A That meeting? I remember that Arnaldo was there,
16 Dr. Carmen Collazo and I think at that time Attorney Bennazar
17 was there, from the part of Puerto Rico.

18 Q Okay, and that was the executive summary that we
19 spoke about earlier?

20 A Ah-huh.

21 Q It tells us exactly who was there.

22 A Ah-huh.

23 Q Is that right?

24 A That is correct.

25 Q Was a copy of an indictment delivered to USAC at

1 that time?

2 A I don't remember.

3 Q Let me show you something to see if this would help
4 you. These are the slides from the presentation that you
5 used, right?

6 A It looks like.

7 Q And page 2 of what has been Tab 4 of Exhibit 1, it
8 says here: "Other documents sent, copy of indictment."

9 A If it is there, it should be.

10 Q What I wanted to know is who's indictment was it?

11 A I don't remember but you can ask Arnaldo. He made
12 the presentation in Washington.

13 Q And what was the purpose of giving USAC a copy of
14 the indictment? Whose ever indictment it was?

15 A We were very open with USAC and my approach was I
16 wanted them to know exactly what's going on. So this
17 approach includes delivering everything that was related to
18 the project that could affect either go or against whatever
19 the Government was doing in the project. So I made a request
20 for all the people that were providing documents and support
21 for the presentation to give me whatever piece of information
22 that you think it might be necessary for them to know.

23 I remember that as soon as the end of September I
24 was calling for a meeting with the USAC and FCC people and I
25 called them to the table. I wanted to be very clear and very

1 up front and I wanted them to know everything that was going
2 on.

3 There were some things that were not under my
4 responsibility. Not even under the responsibility of this
5 Administration. I think that the best thing I could do at
6 the time is to gather all the information and bring it to
7 USAC.

8 It was so much money, over \$160,000,000.00 in this
9 project and schools were not connected and I didn't have all
10 the answers. I don't even have all the questions, so I think
11 that the best thing I can do is bring them to the table and
12 tell them whatever.

13 Be true, bring them a proposal of how I, as the
14 head of the System Information Office, think that I can
15 manage and recover the whole system. Try to recover all the
16 money that was put into it and give the best of my knowledge
17 to have an idea at that point in time that from my point of
18 view is reasonable to recover the whole thing. So according
19 to that approach, it is possible that someone learned of the
20 indictment and if they find it, they are going to write to
21 me. I just let it go.

22 Q But you don't remember whose indictment it was?

23 A No. Remember I was out of the office almost a year
24 now and that was just one of the presentations that we had.

25 Q Do you know if that was an indictment of a

1 contractor?

2 A It is in the part of the contractor.

3 Q A what?

4 A It is in the part that talks about contractors and
5 if a yearly application was submitted, it should be related
6 to that or on the page before some way of payment made to
7 them.

8 Q Do you know if it was Mr. Fajardo's indictment that
9 was sent up there or brought up over there at the time?

10 A It could be, but I don't remember.

11 Q Were there any reporting or transcriptions of the
12 presentations that you made to USAC?

13 A I don't remember if we... I am almost sure that we
14 had a paper copy of the presentation, but I am not sure that
15 we left any presentation in terms of a file. I think that
16 the only thing we gave them at that time was the presentation
17 done on the board and a hard copy.

18 Q But the presentation itself was some written
19 material that somebody was reading from?

20 A As far as I remember, no. Arnaldo was presenting
21 in front of a table from a board and he was talking and using
22 the presentation as a highlight.

23 Q Did he have any other materials that he was using
24 for his presentation that you are aware of?

25 A No. The only thing is the whole package of

1 documents that were submitted to USAC, which USAC had already
2 and the hard copy of the presentation.

3 Q On the next line on page 2, it says: "Agreement"
4 for one vendor canceled." What does that refer to?

5 A I think it refers to the agreement that was with
6 DRC.

7 Q First of all, why was "Agreement" in quotes?

8 A Agreement? Because as far as I remember, the
9 agreement depends on the availability of funds and I am not a
10 lawyer but for me, if funds are not available and still on
11 the agreement and it comes into a full contract unpaid. At
12 that time still, money was not available. So as far as I
13 remember it said that this agreement depends on the
14 availability of funds or something like that.

15 Q Of E-Rate funds?

16 A Or something like that, yes.

17 Q And for the year 5, I think we established that---

18 A Agreement. The money is still... As far as I know,
19 the money is still owed.

20 Q On hold. But the year 4 funding had been approved
21 by USAC, right?

22 A I think that you submit the form and they say that
23 the form is approved but then they have to wait until they
24 make the money available.

25 Q So you don't know precisely if---

1 A No. Remember I depended on the people I had to run
2 these units.

3 Q I understand.

4 MR. CAMILO K. SALAS: Mr. Bennazar, would you be
5 kind enough also to provide us all the exhibits that went
6 with this presentation? There are exhibits 1 through 14 that
7 we would like to see. There are other exhibits that go with
8 the subsequent presentation of October that I want to ask you
9 now, are also made available.

10 BY MR. CAMILO K. SALAS:

11 Q All right. So then, do you have any recollection
12 of what else was explained to USAC concerning this "Agreement
13 for one vendor being canceled"?

14 A I think that we talked something about one of the
15 agreements was canceled and we were focusing on the project,
16 the phase that had more chances of being viable according to
17 the situation we had detected already at the schools.

18 Q Meaning the Phase 1?

19 A Phase 1, wired.

20 Q But in the same presentation you told or who ever
21 made the presentation told USAC that the Phase 2 schools were
22 going to be put back in operation.

23 A Yes. But remember I told you that doing some sort
24 of a merge, trying to save whatever investment was done. But
25 according to the standards that make it viable in the schools

1 with the situations that we talked already, there were
2 schools in where there were no problems with electricity and
3 everything is all right. Okay, we can do it the way it is as
4 soon as there is a line available to connect to the system.

5 Q You mean electrical problem?

6 A And the T-1s, also.

7 Q Right.

8 A But if there is a school that you can't even have 2
9 notebooks at the same time because the whole system
10 collapses, then we have to do it the other way.

11 Remember in the previous deposition I was telling
12 you that was one of the reasons we were looking for the
13 mobile labs that used the power supplies that a total bunch
14 of 26 computers can feed up from one single outlet.

15 Q Electrical outlet?

16 A Electrical outlet. I remember also that by the
17 last half of the semester I was at the Department, I made a
18 request to PRT that I wanted a prototype in which you can
19 show me which way you can recover Phase 2 to make it
20 available to work as efficiently as Phase 1. They did. They
21 prepared at least 3 prototypes. They were Ponce High,
22 University Gardens and one school in Santurce.

23 Q In whatever school you had sufficient electrical
24 power, you were going to continue to use the wireless system
25 for the Phase 2 schools?

1 A If the wireless system can work. The thing is that
2 it was a system designed under the standards of DRC and at
3 that time I didn't know if Telefónica could afford to handle
4 the whole thing.

5 I was asking them "what are you going to do about
6 that?" They were the suppliers, they were the experts. They
7 were supposed to give me the answers and they were working on
8 that by the time I left.

9 Q You are talking about the prototype that Telefónica
10 was going to do to redo the system?

11 A Whatever they had to do. Remember, I have the
12 burden in me that there was such a huge amount of money in
13 the project that the feds were asking me "hey Cruz, what the
14 hell are you going to do with that?"

15 Q With what?

16 A With the project. It is not working and we kept
17 going and giving them evidence of whatever we were doing.
18 They said "okay, you are doing good." "Keep on, show me what
19 else."

20 I was trying to recover as much schools as I could.
21 We put computers, we put labs, we put training, we got
22 technicians, we ran more than the mile they were asking us to
23 run. More than what was in the letter. I went far beyond
24 than what they were requesting because I needed to prove to
25 them, who are the people that were putting the money, that

1 the project was recoverable. After all, the whole education
2 of this generation of Puerto Ricans depends on that.

3 So I was pushing real hard. It was by far, one of
4 my most important projects. I needed to make this work and
5 then to put the technology in terms of education, which is my
6 business and of Microsoft and Compac and the Department of
7 Education, so every technology we have there is in terms of
8 how our kids are trained. So I had to be other than that,
9 doing the part of the infrastructure, producing, that the
10 training of the teachers and the education of the teachers
11 went on and that the project that we were going to run over
12 that system was designed and was tested. We were pushing
13 real hard in that so I did a big push and believe me, I
14 pushed hard.

15 On PRT, I need answers because half of my schools
16 are Phase 2 and since by that time I was having more than
17 600 schools already connected, the next question I was
18 expecting if I were the CEO at that time of the next visit
19 from USAC is "okay, and now what are you going to do with
20 Phase 2?"

21 So I was gathering all the information, all the
22 possibilities to analyze and then go there and tell them
23 "listen people, this is the way of actions I have had and we
24 have already tested it and if you can make an advance on that
25 and audit, be my guess. You can choose from any of these 3

1 schools. Go and test it." So I was pushing real hard.

2 Q But by that time DRC's contracts had already been
3 canceled?

4 A Yes, Sir.

5 Q Now, going back to my original question.
6 What, whoever made the presentation, tell USAC about the
7 cancellation of DRC's contracts?

8 A I don't remember exactly..

9 Q If you think you need a substance, I realize that.

10 A I am trying to go there, because I was not doing
11 the presentation. The presentation was done by Arnaldo. I
12 think that we talked about that, that we canceled one of the
13 contracts to concentrate on the most viable of the projects,
14 which was by the evidence that I had at the time, the wired.

15 Q So it was represented to USAC that the reason for
16 the cancellation of DRC's contracts was for the Department of
17 Education to be able to focus it's efforts on the Phase 1
18 schools?

19 A That was all about what we were talking. How the
20 Department of Education improved, that the Department of
21 Education can handle the project and recover it and make it
22 successful. If not, money had to be returned.

23 Q Now, going through page 12 of this same document,
24 in this slide it says "Pending issues recovery of Phase 2
25 schools." Who is going to do that?

1 A I think that that part was the back bone. I don't
2 remember if it was part of DRC's contract agreement or if it
3 is going to be performed by PRT. I am not clear.

4 Q Well, DRC's contracts had been canceled, right?

5 A Anyway, when it was designed and submitted through
6 Form 470 I am not sure if by that time I then submitted the
7 first agreement was with DRC or PRT but anyway, it has to be
8 done because it was part of the project. Either by DRC
9 before the cancellation or PRT before the cancellation. I
10 don't have it clear who was in charge of that. And at that
11 time after the cancellation, it had to be PRTC.

12 Q Why?

13 A Whoever inherited contract for year number 4 had to
14 do it.

15 Q Has it been done yet?

16 A No, Sir.

17 Q And---

18 A Or until I was out. Remember I can talk about this
19 until the day I left the office.

20 Q And it wasn't done because of lack of funds?

21 A Well, there were no funds available and I can't ask
22 any one of the suppliers to or force them to do something for
23 which I don't have the money to pay for.

24 Q Well, you kept PRTC even without payment---

25 A Pushing on answers. I want you to give me an

1 answer but just to give me an answer doesn't work. I have
2 been tired of everybody saying it can be done and just show
3 me your money. Make a prototype. Show me that it does work
4 because I have had so many statements of things that work
5 that didn't, that I don't believe in anybody.

6 Just show me. If it works, I want to see it
7 working because I am going to be spending my word on this
8 with USAC and the FCC people and the only thing I had was 3
9 people from the high lands, people from the mountain, to show
10 us how it works and I got them.

11 Q Let me go back to the page 3 of the same document.
12 The top slide talks about the evaluation for all the schools
13 that had been performed, it says, last February. That would
14 have been the year before or the same year?

15 A The year is 2002.

16 Q All right, February of 2002. There was another
17 evaluation performed?

18 A Yes. We started this effort by I think by the end
19 of September. I was very upset and disappointed because what
20 ever was told to me at the time, was not as it was told.

21 I was having this kind of a project going on and
22 there were questions made by the Secretary telling me "okay,
23 tell me how are the projects going on?" And I had a lot of
24 questions and no answers. So at that time when we tried with
25 the first sample of 100 schools and we saw that things were

1 not good as I was told, I talked to Bennett Díaz of OGP that
2 I needed to make an effort and I didn't have the people to
3 sweep the whole Island in a single week. So I proposed to
4 him why don't we get resources from all of the government
5 agencies? We train them in a one day training. We give them
6 all of the tools they need to get the information and then in
7 one week sweep the whole Island from Cabo Rojo and Aguadilla
8 to Vieques and Culebras. They have a real idea or closer
9 idea of what's going on. At that time I was telling that I
10 wanted to get USAC and FCC to the table.

11 Q Okay, so that refers to the evaluation that was
12 done in September of 2001 and it went on through February of
13 2002?

14 A No. We started with the initiative by end of
15 September but had to get permissions for all the people,
16 check whatever in Human Resources in terms of mileage and
17 permissions to travel and motor pool and a lot of things that
18 had to be set up before it was done.

19 When we were ready, that was by the beginning of
20 the year 2002, then at the time I had identified some 300
21 people but when we went to the real "nitty gritty" only 200
22 were able to get the training and be able to go to the field.
23 So we finally did it in last February.

24 Q So that would be February of 2002?

25 A Yes.

1 Q So just to establish, we have spoken with I think
2 you and many other witnesses about this visit made to various
3 schools by people from the different agencies of the
4 government.

5 A Ah-huh.

6 Q And I think this helped us put the date on that,
7 which according to this document it was in February of 2002.

8 A Correct.

9 Q And that would have been after DRC's contracts had
10 already been canceled?

11 A I think so.

12 Q Now, these documents also tell us that there were
13 100 people involved, right?

14 A One hundred groups of 2 technicians.

15 Q And each group visited a certain number of schools?

16 A They were assigned 16 schools.

17 Q Sixteen schools?

18 A Assuming that they can visit 4 schools per day, 4
19 days in a week. Some did, some even took more, some didn't
20 object that much.

21 Q Okay. Now, do we know if these were the Phase 1
22 schools or Phase 2 schools?

23 A All schools that were available.

24 Q Well if everyone went to 100 schools---

25 A No, it says 100 groups of 2 technicians that were

1 going to visit 16 schools per group. That makes 1,600
2 schools.

3 Q Okay, so all of the schools that---

4 A All of the schools that were available, including
5 Vieques and Culebra.

6 Q And their findings are below on the next---

7 A The 3 sided strategy center? No.

8 Q If this preliminary finding is confirmed, what---

9 A The first we had in the 100 schools sample we had
10 were confirmed then for the population.

11 Q I think I skipped something. Let me back up to the
12 prior slide. It says "Data collected from 1,184 schools,
13 77%.

14 A Ah-huh.

15 Q "Data from 25 additional schools was received
16 later." So that would be the number of schools that were
17 actually visited by the 100 teams?

18 A At the time of this report, yes.

19 Q Preliminary findings confirmed that this would be a
20 list of what the teams found?

21 A Confirmed.

22 Q They found one, service and communication equipment
23 installed in inappropriate places, 25%.

24 A Ah-huh.

25 Q Now, during your deposition earlier today and last

1 time we talked about the fact that maybe some equipment was
2 close to windows and things of that nature, right?

3 A Yes.

4 Q Is that what this is referring to?

5 A Inappropriate places, yes. Mis-located.

6 Q So we know now that only in 24% of the schools was
7 the equipment in the wrong place.

8 A Of the schools visited, yes.

9 Q Now, do we know whether those schools, that 24% of
10 the schools, were Phase 1 or Phase 2 schools?

11 A I don't have the facts. Maybe Adonay has it. I
12 just have the greater findings in the summary.

13 Q In the next item it says "Inappropriate electrical
14 connections, 48%.

15 A Ah-huh.

16 Q Does that tell us that of the schools that were
17 visited, 48% of them did not have adequate electrical
18 connections to support the computer equipment that had been
19 installed?

20 A You are right.

21 Q Next it says "Inappropriate security, 40.5%. Does
22 that tell us that from the schools that were visited, 40.5%
23 did not have appropriate security?

24 A You are right.

25 Q And what kind of security are we talking about?

1 A That was stated by Adonay's equipment, but I think
2 it included locks in the doors, included I think ironworks in
3 the windows. I think that is the kind of security they were
4 looking for.

5 Q Do you know if DRC was required to provide that
6 kind of security?

7 A As far as I remember, no.

8 Q And going back to the electrical connections, that
9 is something that you tried to get from those 2 governmental
10 agencies that I forgot their names?

11 MR. JOHN F. NEVARES: OMEP and Public Buildings.

12 BY MR. CAMILO K. SALAS:

13 Q OMEP and the Public Buildings, right?

14 A Ah-huh.

15 Q Yes?

16 A Well, but you have to go deeper into that. An
17 inappropriate connection might be that the school doesn't
18 have the capability in terms of they don't have a transformer
19 or they don't have the appropriate power or it can be that
20 the school has the appropriate power but the place where the
21 equipment was located did not. So you have to go to the
22 specific schools and see the details on what they meant by
23 that.

24 Q I understand that. All right. The next item there
25 was that there was not adequate ventilation in the cabinets

1 in 38% of the schools visited.

2 A Ah-huh.

3 Q That is what you were telling us earlier that there
4 were some cabinets and that the equipment was getting hot?

5 A Ah-huh.

6 Q Yes?

7 A Yes, that is right. I think so.

8 Q All right. Are you able to tell us from this
9 document whether those were Phase 1 or Phase 2 schools?

10 A For me, it looks like they are Phase 1.

11 Q Phase 1, okay. And then the next item says "Lack
12 of furniture to place the equipment."

13 A Ah-huh.

14 Q So that says what it says?

15 A Yes, that's what it says. Explains by itself.

16 Q DRC was not supposed to provide furniture for the
17 equipment, was it?

18 A No, Sir.

19 Q Next item it says "Very little knowledge regarding
20 the benefits of the project." And I think you spoke about
21 that early today about the teachers not being involved and
22 not knowing and not getting information from Headquarters, so
23 to speak, to tell them what was going on?

24 A Ah-huh.

25 Q Right? That is what this refers to?

1 A Ah-huh.

2 Q And then it says on the next item "School Directors
3 not involved in the project." And that is the Principals in
4 the schools were not involved in it?

5 A Ah-huh.

6 Q And I think that goes hand in hand to what also you
7 said earlier that the Principals had to be involved so that
8 they participated in it, right?

9 A But the thing is that at that time you had to check
10 with this lack of involvement by part of the school
11 Principals. If it's because they don't have the information
12 or it is that once they have the information, they don't want
13 to get involved and that could happen. But bottom line, they
14 were not involved.

15 Q Let's go to page 4 now. The next slide says "Seek
16 accountability from vendors, January 15, in 2 months we went
17 from 2 schools to 216." And I think you explained that
18 earlier.

19 A Ah-huh.

20 Q That when you first got there, there were only 2
21 schools on then you hooked up 216. What I am interested in
22 knowing is in the next line it says "In the following month,
23 we went from 216 to less than 100." And then there is a soft
24 bullet there "One Internet access contract canceled."
25 Would you explain that to me?

1 A Okay. That means that 116 schools were out and not
2 connected at that time and that was after one of the
3 contracts was canceled.

4 Q That was DRC's contract?

5 A For me, that's the only one I know that was
6 canceled at that time.

7 Q So basically, you had 2 schools connected then you
8 went up to 216 and then when you canceled DRC, well of
9 course, that took out 116 schools that were on line.

10 A Ah-huh.

11 Q Which left you with only 100 connected.

12 A Ah-huh.

13 Q If the effort was to get the schools connected, why
14 would you want to cancel DRC's contracts and end only with
15 100 schools connected?

16 A Well, apart from what that says, is that even
17 though they were only 100 up and running, there were also
18 almost built-up because in the next month we go from 100 to
19 over 600 because all the construction and check of the wired
20 system that does not depend on electricity was almost done at
21 the time.

22 Q In what schools, in Phase 1 or Phase 2?

23 A Phase 1.

24 Q Phase 1 schools. It says "But then back to 318
25 plus schools communicated and accessing the Internet." Only